

Dated: March 11th, 2021



*B. McKay Mignault*  
 B. McKay Mignault, Chief Bankruptcy Judge  
 United States Bankruptcy Court

**IN THE UNITED STATES BANKRUPTCY COURT  
 FOR THE NORTHERN DISTRICT OF WEST VIRGINIA**

In re:	)	
	)	
GEOSTELLAR, INC.,	)	Case No. 18-bk-45
	)	
Debtor.	)	Chapter 7
_____	)	

**ORDER**

Pending before the court is a motion by Philadelphia Indemnity Insurance Company (“PIIC”) for relief from the automatic stay. Specifically, PIIC seeks authorization to pay defense costs associated with its defense of David A. Levine, its insured, in the adversary proceeding filed against Mr. Levine by Martin P. Sheehan, the Chapter 7 trustee administering the bankruptcy estate in this case. Aside from Mr. Sheehan’s objection, which he resolved with PIIC by separate agreement, only David A. Cox and Marjorie Schwartz filed written objections to PIIC’S motion.

Mr. Cox and Ms. Schwartz, both *pro se*, express opposition to PIIC’s motion based upon dissatisfaction with the proposition that Mr. Levine’s defense costs will be paid ahead of other creditors. Additionally, they contend that the court should not permit payment based upon perceived misconduct by Mr. Levine. Notably, the same or similar alleged misconduct is the basis of Mr. Sheehan’s complaint giving rise to the defense costs. In pursuing his complaint in that regard, Mr. Sheehan’s goal is to collect proceeds from the subject insurance policy to pay unsecured creditors of the bankruptcy estate.

Under § 362(d) of the Bankruptcy Code, the court may grant relief from the automatic stay for “cause.” Congress did not delineate what constitutes “cause” for relief under § 362(d), but “courts have commonly granted relief from stay to allow directors and officers to receive payment for their defense costs.” *In re Beach First Nat’l Bancshares, Inc.*, 451 B.R. 406, 410 (Bankr. D.S.C. 2011) (citations omitted). The court finds the analysis by its sister bankruptcy court for the

District of South Carolina to be sound and will adopt it here in overruling Mr. Cox's and Ms. Schwartz's objections.

Therefore, the court does hereby

**ORDER** that PIIC's motion for stay relief (Doc. No. 159), filed December 8, 2020, be and here is GRANTED.

**Notice Recipients**

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